

AMENDED IN SENATE JANUARY 4, 2012

**SENATE BILL**

**No. 516**

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**Introduced by Senator Correa**

February 17, 2011

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An act to ~~amend Sections 6011 and 6012~~ *add and repeal Sections 6011.3 and 6012.3* of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 516, as amended, Correa. Sales and use taxes: exclusion: trade-in motorcycle.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale of tangible personal property sold at retail in this state, or on the sales price of tangible personal property purchased from a retailer for the storage, use, or other consumption of that property in this state. That law defines the terms “gross receipts” and “sales price.”

This bill would, *until January 1, 2017*, provide, for purposes of that law, that the terms “gross receipts” and “sales price” do not include the value of a motorcycle traded in for a new motorcycle, if the value of the trade-in motorcycle is separately stated on the new motorcycle invoice or bill of sale or similar document provided to the purchaser.

The Bradley-Burns Uniform Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law which conforms to the Sales and Use Tax Law. Amendments to the Sales and Use Tax Law are incorporated into these laws. Section 2230 of the Revenue and Taxation

Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse counties and cities for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 6011.3 is added to the Revenue and*  
2     *Taxation Code, to read:*

3     6011.3. (a) (1) *Notwithstanding Section 6011, “sales price”*  
4     *does not include the value of a motorcycle traded in for a new*  
5     *motorcycle if the value of the trade-in motorcycle is separately*  
6     *stated on the new motorcycle invoice or bill of sale or similar*  
7     *document provided to the purchaser.*

8     (2) *For purposes of this section, “motorcycle” means a*  
9     *motorcycle as defined in Section 400 of the Vehicle Code.*

10    (b) *This section shall remain in effect only until January 1, 2017,*  
11    *and as of that date is repealed.*

12    SEC. 2. *Section 6012.3 is added to the Revenue and Taxation*  
13    *Code, to read:*

14    6012.3. (a) (1) *Notwithstanding Section 6012, “gross*  
15    *receipts” does not include the value of a motorcycle traded in for*  
16    *a new motorcycle if the value of the trade-in motorcycle is*  
17    *separately stated on the new motorcycle invoice or bill of sale or*  
18    *similar document provided to the purchaser.*

19    (2) *For purposes of this section, “motorcycle” means a*  
20    *motorcycle as defined in Section 400 of the Vehicle Code.*

21    (b) *This section shall remain in effect only until January 1, 2017,*  
22    *and as of that date is repealed.*

23    SEC. 3. *Notwithstanding Section 2230 of the Revenue and*  
24    *Taxation Code, no appropriation is made by this act and the state*  
25    *shall not reimburse any local agency for any sales and use tax*  
26    *revenues lost by it under this act.*

1     *SEC. 4. This act provides for a tax levy within the meaning of*  
2     *Article IV of the Constitution and shall go into immediate effect.*  
3     *However, the provisions of this act shall become operative on the*  
4     *first day of the first calendar quarter commencing more than 90*  
5     *days after the effective date of this act.*

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8     **All matter omitted in this version of the bill**  
9     **appears in the bill as introduced in the**  
10    **Senate, February 17, 2011. (JR11)**  
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